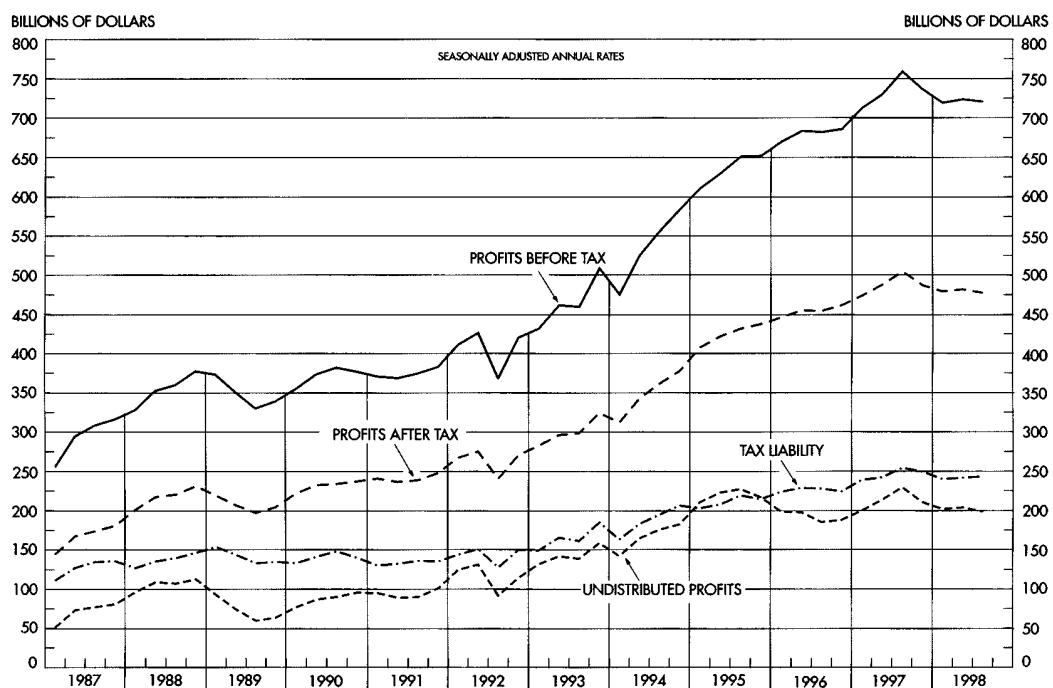


## CORPORATE PROFITS

In the third quarter of 1998, according to current estimates, corporate profits before tax fell \$3.0 billion (annual rate) and profits after tax fell \$4.5 billion.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Period	Profits (before tax) with inventory valuation adjustment <sup>1</sup>							Profits before tax	Tax liability	Profits after tax			Inventory valuation adjustment		
	Total <sup>2</sup>	Domestic industries								Total	Dividends	Undistributed profits			
		Nonfinancial				Total <sup>3</sup>	Manufacturing			Total <sup>3</sup>	Dividends	Undistributed profits			
		Total	Financial				Retail								
1990 .....	358.2	292.5	68.6	223.8	112.3	17.2	20.6	371.7	140.5	231.2	143.9	87.3	-13.5		
1991 .....	378.2	309.5	87.4	222.1	92.7	20.6	26.1	374.2	133.4	240.8	147.2	93.6	4.0		
1992 .....	398.9	334.0	83.7	250.3	96.3	23.0	32.2	406.4	143.0	263.4	147.9	115.5	-7.5		
1993 .....	456.9	383.0	82.9	300.1	116.7	24.3	38.9	465.4	165.2	300.2	157.6	142.6	-8.5		
1994 .....	519.1	445.7	69.4	376.3	151.6	29.4	46.0	535.1	186.6	348.5	182.4	166.1	-16.1		
1995 .....	613.0	523.4	104.6	418.8	183.9	26.2	43.3	635.6	211.0	424.6	205.3	219.3	-22.6		
1996 .....	679.0	582.6	110.7	471.8	195.6	37.9	51.8	680.2	226.1	454.1	261.9	192.3	-1.2		
1997 .....	741.2	642.2	130.0	512.3	214.4	49.8	61.2	734.4	246.1	488.3	275.1	213.2	6.9		
1998 <sup>p</sup> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	279.2	.....	.....	.....		
1995: I .....	572.6	487.5	93.9	393.6	170.3	22.8	42.5	610.5	202.9	407.6	197.1	210.5	-37.9		
II .....	595.5	502.3	104.2	398.1	176.9	21.2	41.9	629.4	207.6	421.9	199.0	222.8	-33.9		
III .....	637.4	533.9	116.0	438.0	193.0	29.7	43.5	650.8	219.1	431.6	204.4	227.2	-13.4		
IV .....	646.5	550.0	104.4	445.6	195.4	31.1	45.3	651.8	214.3	437.5	220.7	216.8	-5.3		
1996: I .....	667.0	574.4	116.5	457.9	191.6	35.6	49.7	669.9	223.9	446.0	247.6	198.4	-2.9		
II .....	677.1	583.7	116.6	467.0	195.0	31.9	52.5	683.4	228.6	454.8	257.1	197.6	-6.2		
III .....	683.0	589.4	111.7	477.7	197.3	37.7	53.8	681.9	227.7	454.2	269.1	185.1	1.2		
IV .....	688.7	582.8	98.0	484.8	198.6	46.3	51.2	685.7	224.2	461.5	273.6	187.9	3.0		
1997: I .....	720.5	624.0	127.7	496.3	200.8	48.3	60.8	712.4	238.8	473.6	274.1	199.5	8.1		
II .....	740.1	634.7	128.7	506.0	215.5	50.5	59.1	729.8	241.9	487.8	274.7	213.2	10.3		
III .....	763.7	661.4	128.6	532.8	228.9	52.7	62.7	758.9	254.2	504.7	275.1	229.5	4.8		
IV .....	740.7	648.7	134.7	514.0	212.3	47.6	62.2	736.4	249.3	487.1	276.4	210.6	4.3		
1998: I .....	744.3	645.8	136.3	509.4	197.1	51.5	67.4	719.1	239.9	479.2	277.3	201.8	25.3		
II .....	731.3	633.9	134.4	499.5	194.6	53.5	67.4	723.5	241.6	481.8	278.1	203.7	7.8		
III .....	732.1	642.2	133.2	509.0	195.0	53.9	67.1	720.5	243.2	477.3	279.0	198.3	11.7		
IV <sup>p</sup> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	282.3	.....	.....	.....		

<sup>1</sup>See p. 4 for profits with inventory valuation and capital consumption adjustments.

<sup>2</sup>Includes rest of the world, not shown separately.

<sup>3</sup>Includes industries not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.